

19 May 1978

MEMORANDUM OF CONVERSATION WITH DENNY ELLERMAN, DEPARTMENT OF
ENERGY, 18 MAY 1978

Discussed plans for the energy intelligence review. In the main, Denny stated the proposal that has been developed over time by the IC Staff and DoE is precisely what is wanted. He is eager to move forward with it and agrees that the survey should be ready for NFIB discussion and DCI decisions in September. He was particularly pleased with the pared down version (attached) of the Terms of Reference (earlier agreed upon by the IC Staff and DoE) which I presented to him. Denny stated it is precisely what is needed and that its scope is what it should be. He stated that it fit perfectly with the written answers DoE recently provided to questions prepared by the SSCI.

The main concern Denny expressed was that the assessment be kept "low key"--pointing out that the basic purpose of the review, other than surfacing issues that need resolution, is to inform. He felt talk of an NIO for Energy, for example, may be premature and cause bureaucratic concern in some quarters though he did not object to its entry in the Terms of Reference as an alternative option or possibility.

Denny alluded to DoE's general discontent with intelligence support and stated that collection is a central issue, that is, "not enough" priority. He expressed an opinion that in many areas, the information is in the Community, but the question is where? The IC Staff review should answer this question. With regard to the DCI/Sec DoE meeting, Denny speculated such a meeting may not need to take place unless some major issues needing their involvement develop--such as the need to insure energy intelligence priority.

STATINTL



- Definition
 - IC working group definition
 - DOE (if different)
- Statement of problems and shortfalls (DOE)
- Request for points of contact with the IC and from user agencies
 - Definition and problem statement as an attachment within IC
 - Definition as an attachment to user agencies
- Interview/written response from each point of contact
 - Resources committed to energy intelligence/collection and production
 - Current/planned production
 - Problems (if any) as they see it
- Conferences as required
- Integration of interview/written material into a Community-wide overview of energy intelligence efforts
 - IC staff definition of issues apparent (if any)
 - DOE comments on issues/DOE issues
- Circulation of results in the form of an issue paper to the Intelligence Community
 - Organizational issues (roles and missions)
 - Resource issues
 - Program Manager responses to the above
- NFIB discussion/advice to the DCI
- DCI decisions

Attachment 1

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Terms of Reference

A REVIEW OF FOREIGN ENERGY INTELLIGENCE
ACTIVITIES AND DEVELOPMENTS

This review provides a definition of foreign energy intelligence and examines the effort each key element of the U.S. Government is making in satisfying the requirement for such intelligence. Special attention is paid to the effort within the Department of Energy (DOE), and the interaction between the new Department's intelligence unit and the elements of the Intelligence Community which might contribute to the understanding and analysis of foreign energy intelligence. The study encompasses Community collection and analysis capabilities and current activities. It will form the basis of any recommended changes in Community responsibilities, priorities, and activities.

EXECUTIVE SUMMARY AND RECOMMENDATIONS

I. Purpose of the Review

II Perspective

- A. Definition of Energy Intelligence
- B. A Global Issue of International Concern
- C. Administration Policies and Policy Level Concern
- D. Importance and Implications of Energy Intelligence
- E. Foreign Energy Intelligence Within The Community Prior To Establishment of DOE (10 October 1977)
- F. Events Subsequent to 10 October 1977
 - 1. DOE Initiatives
 - 2. RM Staff Initiatives
 - 3. User and Producer* Interviews and Conferences
 - 4. Community Priorities for Energy Intelligence

*Producer--a generic term to include intelligence collectors.

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Attachment 2

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III. User Requirements for Energy Intelligence

| | |
|----------|----------|
| NSC | Interior |
| CEA | Labor |
| Commerce | NRC |
| DoD | OMB |
| DOE | State |
| FRB | Treasury |

IV. Current Community Organization, Roles, Missions, Activities, and Plans

A. Collectors of Energy Intelligence

| | |
|------------|-------|
| 1. CIA | NSA |
| CTS (NITC) | SAFSS |
| DIA | State |
| DOE | |

2. Overview of HUMINT, SIGINT, and IMAGERY Methods and Capabilities.

B. Producers and Production of Energy Intelligence

| | |
|------------|-----------|
| CIA (NFAC) | NIO/PE |
| DIA | NIO/NP |
| DOE | RMS |
| EIC | State/INR |
| JAEIC | STIC |

V. Community Resources Devoted to Energy Intelligence

A. Historical Trends

B. FY 1978/79 Resources

1. Intelligence Community Resources Devoted to Energy

2. External Contracts for Energy by the Intelligence Community

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VI. Assessment

- A. Adequacy of Community Efforts to Collect/Produce Energy Intelligence
- B. Adequacy of Community Coordination and Requirements Mechanisms
- C. Division of Labor Within the Community--Present and Proposed
 - 1. Principal Roles for Community Members
 - 2. Redundancy in Production of Technical Energy Intelligence
 - 3. Requirements for Multidisciplinary Analysis
 - 4. Early Warning of Foreign Energy Actions and Developments Affecting National Security Interests
 - 5. Roles of EIC, STIC, JAEIC, and Ad Hoc Working Groups
 - 6. Overall Assessment of Community Division of Labor
 - 7. NIO For Energy

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